
SUBSTITUTE HOUSE BILL 1011

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins, Linville and B. Sullivan)

READ FIRST TIME 02/21/05.

1 AN ACT Relating to distributed generation interconnection
2 procedures and net metering provisions; amending RCW 80.60.010,
3 80.60.020, and 80.60.030; and adding a new chapter to Title 19 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds it is in the public
6 interest to adopt this chapter to simplify the process of
7 interconnecting distributed generation facilities that will be used for
8 net metered customers. This chapter is intended to both identify a
9 class of distributed generators that, because of their selected point
10 of common coupling, can be interconnected with ease and expedition as
11 well as the standard procedures to be used for ordinary
12 interconnections by all utilities.

13 NEW SECTION. **Sec. 2.** The definitions in this section apply
14 throughout this chapter unless the context clearly requires otherwise.

15 (1) "Applicant" means a person who has filed an application to
16 interconnect a customer-generator facility to an electric delivery
17 system.

1 (2) "Area network" means a type of electric delivery system served
2 by multiple transformers interconnected in an electrical network
3 circuit generally used in large metropolitan areas that are densely
4 populated to provide high reliability of service and having the same
5 definition as the term "secondary grid network" as defined in the
6 institute of electrical and electronic engineers standards.

7 (3) "Class I energy" means electrical energy generation. It may
8 include all types of generation.

9 (4) "Commission" means the utilities and transportation commission.

10 (5) "Consumer-owned utility" includes a municipal electric utility
11 formed under Title 35 RCW, a public utility district formed under Title
12 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
13 cooperative formed under chapter 23.86 RCW, a mutual corporation or
14 association formed under chapter 24.06 RCW, a port district formed
15 under Title 53 RCW, or a water-sewer district formed under Title 57
16 RCW, that is engaged in the business of distributing electricity to one
17 or more retail electric customers in the state.

18 (6) "Customer-generator" means a residential or commercial customer
19 that generates electricity, typically on the customer's side of the
20 meter.

21 (7) "Customer-generator facility" means the equipment used by a
22 customer-generator to generate, manage, and monitor electricity. A
23 customer-generator facility typically includes an electric generator
24 and/or an equipment package.

25 (8) "Electric delivery system" means the infrastructure constructed
26 and maintained by an electric utility to deliver electric service to
27 end-users.

28 (9) "Electric utility" means a consumer-owned or investor-owned
29 utility.

30 (10) "Equipment package" means a group of components connecting an
31 electric generator with an electric delivery system, and includes all
32 interface equipment including switchgear, inverters, or other interface
33 devices. An equipment package may include an integrated generator or
34 electric source.

35 (11) "Fault current" means electrical current that flows through a
36 circuit and is produced by an electrical fault, such as to ground,
37 double-phase to ground, three-phase to ground, phase-to-phase, and

1 three-phase. A fault current is several times larger in magnitude than
2 the current that normally flows through a circuit.

3 (12) "Good utility practice" means any of the practices, methods,
4 and acts engaged in or approved by a significant portion of the
5 electric industry during the relevant time period, or any of the
6 practices, methods, and acts that, in the exercise of reasonable
7 judgment in light of the facts known at the time the decision was made,
8 could have been expected to accomplish the desired result at a
9 reasonable cost consistent with good business practices, reliability,
10 safety, and expedition. "Good utility practice" is not intended to be
11 limited to the optimum practice, method, or act to the exclusion of all
12 others, but rather to be acceptable practices, methods, or acts
13 generally accepted in the region.

14 (13) "Group" means the interconnection technical advisory work
15 group established under section 6 of this act.

16 (14) "Interconnection agreement" means an agreement between a
17 customer-generator and an electric utility, that governs the connection
18 of the customer-generator facility to the electric delivery system, as
19 well as the ongoing operation of the customer-generator facility after
20 it is connected to the system.

21 (15) "Investor-owned utility" means a corporation owned by
22 investors that meets the definition of corporation in RCW 80.04.010 and
23 is engaged in distributing electricity to more than one retail electric
24 customer in the state.

25 (16) "Minor system modifications" include activities such as
26 changing the fuse in a fuse holder cut-out, changing the settings on a
27 circuit recloser, and other activities that usually entail less than
28 four hours of work and one thousand dollars in materials.

29 (17) "Point of common coupling" means the point in the
30 interconnection of a customer-generator facility with an electric
31 delivery system at which the harmonic limits are applied.

32 (18) "Spot network" means a type of electric delivery system that
33 uses two or more intertied transformers to supply an electrical network
34 circuit. A spot network is generally used to supply power to a single
35 customer or a small group of customers.

36 **Sec. 3.** RCW 80.60.010 and 2000 c 158 s 1 are each amended to read
37 as follows:

1 The definitions in this section apply throughout this chapter
2 unless the context clearly indicates otherwise.

3 (1) "Commission" means the utilities and transportation commission.

4 (2) "Customer-generator" means a user of a net metering system.

5 (3) "Electrical company" means a company owned by investors that
6 meets the definition of RCW 80.04.010.

7 (4) "Electric cooperative" means a cooperative or association
8 organized under chapter 23.86 or 24.06 RCW.

9 (5) "Electric utility" means any electrical company, public utility
10 district, irrigation district, port district, electric cooperative, or
11 municipal electric utility that is engaged in the business of
12 distributing electricity to retail electric customers in the state.

13 (6) "Irrigation district" means an irrigation district under
14 chapter 87.03 RCW.

15 (7) "Municipal electric utility" means a city or town that owns or
16 operates an electric utility authorized by chapter 35.92 RCW.

17 (8) "Net metering" means measuring the difference between the
18 electricity supplied by an electric utility and the electricity
19 generated by a customer-generator that is fed back to the electric
20 utility over the applicable billing period.

21 (9) "Net metering system" means a fuel cell or a facility for the
22 production of electrical energy that:

23 (a) Uses as its fuel either solar, wind, or hydropower;

24 (b) Has a generating capacity of not more than (~~twenty-five~~) one
25 hundred kilowatts;

26 (c) Is located on the customer-generator's premises;

27 (d) Operates in parallel with the electric utility's transmission
28 and distribution facilities; and

29 (e) Is intended primarily to offset part or all of the customer-
30 generator's requirements for electricity.

31 (10) "Port district" means a port district within which an
32 industrial development district has been established as authorized by
33 Title 53 RCW.

34 (11) "Public utility district" means a district authorized by
35 chapter 54.04 RCW.

36 **Sec. 4.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to read
37 as follows:

1 An electric utility:

2 (1) Shall offer to make net metering available to eligible
3 customers-generators on a first-come, first-served basis until the
4 cumulative generating capacity of net metering systems equals (~~(0.1)~~)
5 one percent of the utility's peak demand during 1996, of which not less
6 than 0.05 percent shall be attributable to net metering systems that
7 use as its fuel either solar, wind, or hydropower;

8 (2) Shall allow net metering systems to be interconnected using a
9 standard kilowatt-hour meter capable of registering the flow of
10 electricity in two directions, unless the commission, in the case of an
11 electrical company, or the appropriate governing body, in the case of
12 other electric utilities, determines, after appropriate notice and
13 opportunity for comment:

14 (a) That the use of additional metering equipment to monitor the
15 flow of electricity in each direction is necessary and appropriate for
16 the interconnection of net metering systems, after taking into account
17 the benefits and costs of purchasing and installing additional metering
18 equipment; and

19 (b) How the cost of purchasing and installing an additional meter
20 is to be allocated between the customer-generator and the utility;

21 (3) Shall charge the customer-generator a minimum monthly fee that
22 is the same as other customers of the electric utility in the same rate
23 class, but shall not charge the customer-generator any additional
24 standby, capacity, interconnection, or other fee or charge unless the
25 commission, in the case of an electrical company, or the appropriate
26 governing body, in the case of other electric utilities, determines,
27 after appropriate notice and opportunity for comment that:

28 (a) The electric utility will incur direct costs associated with
29 interconnecting or administering net metering systems that exceed any
30 offsetting benefits associated with these systems; and

31 (b) Public policy is best served by imposing these costs on the
32 customer-generator rather than allocating these costs among the
33 utility's entire customer base.

34 **Sec. 5.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to read
35 as follows:

36 Consistent with the other provisions of this chapter, the net
37 energy measurement must be calculated in the following manner:

1 (1) The electric utility shall measure the net electricity produced
2 or consumed during the billing period, in accordance with normal
3 metering practices.

4 (2) If the electricity supplied by the electric utility exceeds the
5 electricity generated by the customer-generator and fed back to the
6 electric utility during the billing period, the customer-generator
7 shall be billed for the net electricity supplied by the electric
8 utility, in accordance with normal metering practices.

9 (3) If electricity generated by the customer-generator exceeds the
10 electricity supplied by the electric utility, the customer-generator:

11 (a) Shall be billed for the appropriate customer charges for that
12 billing period, in accordance with RCW 80.60.020; and

13 (b) Shall be credited for the excess kilowatt-hours generated
14 during the billing period, with this kilowatt-hour credit appearing on
15 the bill for the following billing period.

16 ((~~At the beginning~~)) On April 30th of each calendar year, any
17 remaining unused kilowatt-hour credit accumulated during the previous
18 year shall be granted to the electric utility, without any compensation
19 to the customer-generator.

20 NEW SECTION. **Sec. 6.** (1) There is hereby created the
21 interconnection technical advisory group.

22 (2) Membership of the group shall consist of one representative
23 from each of the investor-owned utilities in the state, one
24 representative from a consumer-owned utility in the state, one
25 representative from an electric cooperative in the state, and one
26 representative from a municipal utility in the state. The group shall
27 elect a chair from among its members.

28 (3) Members of the group shall serve without compensation.

29 (4) Beginning on the effective date of this act, the group shall
30 meet to establish majority agreement on standard technical requirements
31 for interconnection at each level established under section 8 of this
32 act.

33 (5) By January 1, 2006, the group shall submit the technical
34 standards to the commission, to the governing body of each consumer-
35 owned utility, and to the appropriate committees of the legislature.

36 (6) The commission and the governing body of each consumer-owned
37 utility shall adopt the technical standards. If the governing body of

1 each consumer-owned utility does not adopt the technical standards
2 within sixty days of receiving the technical standards from the group,
3 the members of the governing body are each subject to a penalty in the
4 amount of one hundred dollars per day until the governing body adopts
5 the standards. After January 1, 2006, the group shall continue to meet
6 every July 15th to update agreement on standard technical requirements
7 for interconnection at each level established under section 8 of this
8 act.

9 NEW SECTION. **Sec. 7.** If the group does not, by October 1, 2006,
10 establish agreement on standard technical requirements for
11 interconnection at each level established under section 8 of this act,
12 the commission may adopt rules by January 1, 2007, to establish
13 standard technical requirements for interconnection at each level
14 established under section 8 of this act.

15 NEW SECTION. **Sec. 8.** There are four interconnection review paths
16 for interconnection of customer-sited generation.

17 (1) Simplified. This is for facilities certified under section 9
18 of this act with a power rating of ten kilowatts or less, where the
19 primary distribution line configuration is single-phase and for
20 facilities certified under section 9 of this act with a power rating of
21 one hundred kilowatts or less, where the primary distribution line
22 configuration is three-phase.

23 (2) Expedited. This is for facilities certified under section 9 of
24 this act that have a power rating between ten kilowatts and one hundred
25 kilowatts where the primary distribution line configuration is single-
26 phase and for facilities certified under section 9 of this act that
27 have a power rating between one hundred kilowatts and three hundred
28 kilowatts where the primary distribution line configuration is three-
29 phase.

30 (3) Intermediate. This is for facilities certified under section
31 9 of this act that have a power rating between three hundred kilowatts
32 and one megawatt where the primary distribution line configuration is
33 three-phase.

34 (4) Standard. This is for all generating facilities not qualifying
35 for simplified, expedited, or intermediate interconnection that have a
36 power rating of ten megawatts or less.

1 NEW SECTION. **Sec. 9.** (1) To qualify for simplified, expedited, or
2 intermediate interconnection procedures, generators no larger than one
3 megawatt must be certified under subsection (2) of this section to
4 comply with the following codes and standards as applicable:

5 (a) The institute of electrical and electronic engineers' 1547
6 standard for interconnecting distributed resources with electric power
7 systems or 929 standard for inverters less than ten kilowatts in size;
8 and

9 (b) UL 1741 inverters, converters, and controllers for use in
10 independent power systems.

11 (2) An equipment package is certified for interconnected operation
12 if it has been submitted by a manufacturer, tested and listed by a
13 nationally recognized testing and certification laboratory for
14 continuous interactive operation with a utility grid in compliance with
15 the applicable codes and standards listed in subsection (1) of this
16 section.

17 (3) If the equipment package has been tested and listed as an
18 integrated package, which includes a generator or other electric
19 source, it shall not require further design review, testing, or
20 additional equipment to meet the certification requirements of this
21 interconnection procedure.

22 (4)(a) If the equipment package includes only the interface
23 components such as switchgear, inverters, or other interface devices,
24 then an interconnection applicant must show that the generator or other
25 electric source being used with the equipment package is compatible
26 with the equipment package and consistent with the testing and listing
27 specified for the package.

28 (b) If the generator or electric source combined with the equipment
29 package is consistent with the testing and listing performed by the
30 nationally recognized testing and certification laboratory, no further
31 design review, testing, or additional equipment is required to meet the
32 certification requirements of this interconnection procedure. A
33 certified equipment package does not include equipment provided by the
34 utility.

35 (5) To qualify for simplified, expedited, or intermediate
36 interconnection, the aggregated generation, including the proposed
37 generator, will not:

38 (a) Exceed ten percent of the total circuit annual peak load;

1 (b) Contribute more than ten percent to the distribution circuit's
2 maximum fault current at the point on the high voltage primary level
3 nearest the proposed point of common coupling; and

4 (c) Compromise the operation of system safety protective devices.

5 NEW SECTION. **Sec. 10.** Each electric utility shall have a
6 simplified interconnection procedure for facilities certified under
7 section 9 of this act that have a power rating of ten kilowatts or
8 less, where the primary distribution line configuration is single-phase
9 and for facilities certified under section 9 of this act with a power
10 rating of one hundred kilowatts or less, where the primary distribution
11 line configuration is three-phase.

12 (2) The simplified procedure shall require the following steps:

13 (a) The customer-generator submits an application filled out
14 properly and completely;

15 (b) The electric utility shall acknowledge to the customer-
16 generator receipt of the application within three business days of
17 receipt of the application;

18 (c) The electric utility evaluates the application for completeness
19 and notifies the customer-generator within three business days of
20 acknowledging receipt of the application that the application is or is
21 not complete. If incomplete, the application is rejected and returned
22 to the customer with a list of items needed to make it complete;

23 (d) If the proposed interconnection meets technical requirements
24 for simplified interconnection established by the group under section
25 6 of this act or by the commission under section 7 of this act, within
26 three business days of notifying the customer-generator that the
27 application is complete, the electric utility will execute and send a
28 simplified interconnection agreement to the customer-generator;

29 (e) The customer-generator shall return the signed agreement within
30 three business days of receiving the agreement from the electric
31 utility;

32 (f) Within sixty business days after returning the signed agreement
33 to the electric utility, the customer-generator shall install the
34 approved generating facility and notify the electric utility that the
35 installation is complete;

36 (g) Within ten business days of receiving notice of completion of
37 installation, the electric utility may inspect a generating facility

1 for compliance with the technical standards established by the group
2 under section 6 of this act or the commission under section 7 of this
3 act and may arrange for a witness test;

4 (h) If the inspection and test are satisfactory, within three
5 business days of completing the inspection, the electric utility will
6 notify the customer-generator in writing that interconnection is
7 allowed and approved;

8 (i) If the inspection and test are not satisfactory, within three
9 business days of completing the inspection and test, the electric
10 utility will notify the customer and the customer-generator shall
11 correct the technical requirements within sixty business days; and

12 (j) Customer-generators who do not receive any notice from the
13 electric utility within fifteen business days of the inspection and
14 test are deemed approved for interconnection.

15 (3) The simplified interconnection is provided at a total cost to
16 the customer-generator not to exceed twenty-five dollars.

17 (4) Additional protection equipment not included with the certified
18 generator or interconnection equipment package may be added at the
19 electric utility's discretion if the performance of the system is not
20 negatively impacted in any way and the customer-generator is not
21 charged for equipment in addition to that which is included in the
22 certified equipment package.

23 NEW SECTION. **Sec. 11.** (1) Each electric utility shall have an
24 expedited interconnection procedure for facilities certified under
25 section 9 of this act that have a power rating between ten kilowatts
26 and one hundred kilowatts where the primary distribution line
27 configuration is single-phase and for facilities certified under
28 section 9 of this act that have a power rating between one hundred
29 kilowatts and three hundred kilowatts where the primary distribution
30 line configuration is three-phase.

31 (2) The expedited procedure shall require the following steps:

32 (a) To assist customers in the interconnection process, the
33 electric utility will designate an employee or office from which basic
34 application information can be obtained through an informal process;

35 (b) Within three business days of a request for an application, the
36 electric utility will provide the applicant with all relevant forms,

1 documents, and technical requirements for filing a complete application
2 for interconnection;

3 (c) Upon the applicant's request, the electric utility will meet
4 with the applicant before submission of an application for expedited
5 interconnection;

6 (d) The applicant shall submit an application filled out properly
7 and completely to the electric utility and may, at the same time,
8 submit an interconnection agreement executed by the applicant;

9 (e) Within three business days of receipt of the application, the
10 electric utility shall acknowledge to the applicant receipt of the
11 application;

12 (f) The electric utility will notify the applicant within ten
13 business days of its receipt of the application whether the application
14 is complete or incomplete. If the application is incomplete, the
15 electric utility will at the same time provide the applicant with a
16 written list detailing all information that must be provided to
17 complete the application;

18 (g) An applicant will have ten business days to submit the missing
19 information following receipt of the notice. If the applicant does not
20 submit the listed information to the electric utility within ten
21 business days, the application shall be deemed withdrawn;

22 (h) An application will be complete upon the applicant's submission
23 of the information identified in the electric utility's written list.
24 The electric utility shall acknowledge to the customer-generator
25 receipt of the application within three business days of receiving the
26 information identified in the electric utility's written list;

27 (i) Within ten business days after the electric utility notifies
28 the applicant it has received a complete application, the electric
29 utility shall perform an initial review of the proposed
30 interconnection. Initial review shall include the following:

31 (i) Review using the technical standards established by the group
32 under section 6 of this act or by the commission under section 7 of
33 this act;

34 (ii) Notice to the applicant of the results, including copies of
35 the analysis and data underlying the electric utility's determinations;
36 and

37 (iii) Notice to the applicant of the results of any additional

1 studies or tests the electric utility deems necessary to evaluate the
2 proposed interconnection, conducted at the electric utility's own
3 expense;

4 (j) If the initial review determines that the proposed
5 interconnection meets the technical requirements for interconnection
6 established by the group under section 6 of this act or by the
7 commission under section 7 of this act, the interconnection application
8 will be approved and the electric utility will provide the applicant
9 with an executable interconnection agreement within five business days
10 after the determination;

11 (k) If the initial review determines that the proposed
12 interconnection does not meet the technical requirements for
13 interconnection established by the group under section 6 of this act or
14 by the commission under section 7 of this act, but the electric utility
15 determines through the initial review that the small generator may
16 nevertheless be interconnected consistent with safety, reliability, and
17 power quality standards, with or without minor system modifications,
18 the electric utility will provide the applicant with an executable
19 interconnection agreement within five business days after the
20 determination and the generator is responsible for the cost of any
21 minor system modifications required;

22 (l) If the initial review determines that the proposed
23 interconnection does not meet the technical requirements for
24 interconnection established by the group under section 6 of this act or
25 by the commission under section 7 of this act, and the electric utility
26 does not or cannot determine from the initial review that the generator
27 may nevertheless be interconnected consistent with safety, reliability,
28 and power quality standards, then the electric utility shall:

29 (i) Offer to perform an additional review if the electric utility
30 concludes that an additional review might determine that the proposed
31 interconnection could qualify for interconnection pursuant to the
32 expedited technical requirements; and

33 (ii) Provide a nonbinding, but good faith estimate of the costs of
34 the additional review when it notifies the applicant that its proposed
35 interconnection is not approved under initial review;

36 (m) Within three business days of receiving an executable
37 interconnection agreement from the electric utility, the applicant

1 shall return the signed interconnection agreement to the electric
2 utility;

3 (n) Within one hundred twenty business days after returning the
4 signed agreement to the electric utility, the customer shall install
5 the approved generating facility and notify the electric utility in
6 writing that the installation is complete;

7 (o) Within ten business days of receiving written notice of
8 completion of installation, the electric utility may inspect a
9 generating facility for compliance with the technical standards
10 established by the group under section 6 of this act or by the
11 commission under section 7 of this act and may arrange for a witness
12 test;

13 (p) If the inspection and test are satisfactory, within three
14 business days of completing the inspection, the electric utility will
15 notify the customer in writing that interconnection is allowed and
16 approved; and

17 (q) If the inspection and test are not satisfactory, within three
18 business days of completing the inspection and test, the electric
19 utility will notify the customer and, within sixty business days, the
20 customer-generator shall correct the installation as required under the
21 technical requirements established by the group under section 6 of this
22 act or by the commission under section 7 of this act.

23 (3) Fees for application and processing may be charged consistent
24 with the following:

25 (a) An application and processing fee may be imposed on customer-
26 generators proposing interconnection of generators under expedited
27 interconnection procedures if the total of all fees to complete the
28 interconnection does not exceed fifty dollars plus one dollar per
29 kilowatt of the capacity of the proposed generator;

30 (b) Additional fees may only be charged to customer-generators if
31 their generator interconnection requires minor system modifications
32 under subsection (2)(k) of this section or additional review under
33 subsection (2)(l) of this section; and

34 (c) Hourly engineering fees for additional review may not exceed
35 one hundred dollars per hour.

36 NEW SECTION. **Sec. 12.** (1) Each electric utility shall have an
37 intermediate interconnection procedure for facilities certified under

1 section 9 of this act that have a power rating between three hundred
2 kilowatts and one megawatt where the primary distribution line
3 configuration is three-phase.

4 (2) The intermediate procedure shall consist of the following
5 steps:

6 (a) To assist applicants in the interconnection process, the
7 electric utility will designate an employee or office from which basic
8 information on the application can be obtained through an informal
9 process;

10 (b) Within three business days of a request for an application, the
11 electric utility will provide the applicant with all relevant forms,
12 documents, and technical requirements for filing a complete application
13 for interconnection;

14 (c) Upon the applicant's request, the electric utility will meet
15 with the applicant before submission of an application for
16 interconnection;

17 (d) The applicant shall submit an application filled out properly
18 and completely for expedited interconnection to the electric utility
19 and may, at the same time, submit an interconnection agreement executed
20 by the applicant;

21 (e) Within three business days of receipt of the application, the
22 electric utility shall acknowledge to the applicant receipt of the
23 application;

24 (f) Within ten business days of receiving the application, the
25 electric utility will notify the applicant of its receipt of the
26 application and whether it is complete or incomplete. If the
27 application is incomplete, the electric utility will at the same time
28 provide the customer-generator a written list detailing all information
29 that must be provided to complete the application;

30 (g) The applicant will have ten business days to submit the missing
31 information following receipt of the notice. If the applicant does not
32 submit the listed information to the electric utility within the ten
33 business days, the application shall be deemed withdrawn;

34 (h) An application will be complete upon the applicant's submission
35 of the information identified in the electric utility's written list.
36 The electric utility shall acknowledge to the applicant receipt of the
37 application within three business days of receiving the information
38 identified in the electric utility's written list;

1 (i) Within ten business days after the electric utility notifies
2 the applicant it received a complete application, the electric utility
3 shall perform an initial review of the proposed interconnection.
4 Initial review shall include the following:

5 (i) Review using the technical requirements established by the
6 group under section 6 of this act or by the commission under section 7
7 of this act;

8 (ii) Notice to the applicant of the results, including copies of
9 the analysis and data underlying the electric utility's determinations;
10 and

11 (iii) Any additional studies or tests the electric utility deems
12 necessary to evaluate the proposed interconnection, conducted at the
13 electric utility's own expense;

14 (j) If the initial review determines that the proposed
15 interconnection meets the technical requirements for interconnection
16 established by the group under section 6 of this act or by the
17 commission under section 7 of this act, the interconnection application
18 will be approved and the electric utility will provide the applicant an
19 executable interconnection agreement within five business days after
20 the determination;

21 (k) If the initial review determines that the proposed
22 interconnection does not meet the technical requirements for
23 interconnection established by the group under section 6 of this act or
24 by the commission under section 7 of this act, but the electric utility
25 determines through the initial review that the small generator may
26 nevertheless be interconnected consistent with safety, reliability, and
27 power quality standards, with or without minor system modifications,
28 the electric utility will provide the applicant an executable
29 interconnection agreement within five business days after the
30 determination and the generator is responsible for the cost of any
31 minor system modifications required;

32 (l) If the initial review determines that the proposed
33 interconnection does not meet the technical requirements for
34 interconnection established by the group under section 6 of this act or
35 by the commission under section 7 of this act, and the electric utility
36 does not or cannot determine from the initial review that the generator
37 may nevertheless be interconnected consistent with safety, reliability,
38 and power quality standards, then the electric utility shall:

1 (i) Offer to perform an additional review if the electric utility
2 concludes that an additional review might determine that the generator
3 could qualify for interconnection pursuant to the expedited procedures;
4 and

5 (ii) Provide a nonbinding, but good faith estimate of the costs of
6 the additional review when it notifies the customer its proposed
7 interconnection does not meet technical requirements for
8 interconnection;

9 (m) Within three business days of receiving an executable
10 interconnection agreement from the electric utility, the applicant
11 shall return the signed agreement to the electric utility;

12 (n) Within one hundred twenty business days after returning the
13 signed agreement, the customer-generator shall install the approved
14 generating facility and notify the electric utility that the
15 installation is complete;

16 (o) Within ten business days of receiving notice of completion of
17 installation, the electric utility may inspect a generating facility
18 for compliance with the technical requirements established by the group
19 under section 6 of this act or by the commission under section 7 of
20 this act and may arrange for a witness test;

21 (p) If the inspection is satisfactory, within three business days
22 of completing the inspection, the electric utility will notify the
23 customer in writing that interconnection is allowed and approved; and

24 (q) If the inspection and test is not satisfactory, within three
25 business days of completing the inspection, the electric utility will
26 notify the customer-generator and the customer-generator shall correct
27 the installation as required under the technical requirements
28 established by the group under section 6 of this act or by the
29 commission under section 7 of this act.

30 (3) Fees for application and processing may be charged consistent
31 with the following:

32 (a) An application and processing fee may be imposed on customer-
33 generators proposing interconnection of generators under expedited
34 interconnection procedures if the total of all fees to complete the
35 interconnection does not exceed fifty dollars plus one dollar per
36 kilowatt of the capacity of the proposed generator;

37 (b) Additional fees may only be charged to customer-generators if

1 their generator interconnection requires minor system modifications
2 under subsection (2)(k) of this section or additional review under
3 subsection (2)(l) of this section;

4 (c) Costs for minor system modifications or additional review will
5 be based on quotations for services from the electric utility; and

6 (d) Hourly engineering fees for additional review may not exceed
7 one hundred dollars per hour.

8 NEW SECTION. **Sec. 13.** Each electric utility shall have a standard
9 interconnection procedure available for generators not exceeding ten
10 megawatts in capacity that do not qualify for simplified, expedited, or
11 intermediate interconnection procedures, which shall consist of the
12 following:

13 (1) The applicant submits an application filled out properly and
14 completely for standard interconnection, or an applicant's
15 interconnection application is transferred from simplified, expedited,
16 or intermediate interconnection procedures for failure to meet all of
17 the requirements of those procedures;

18 (2) The electric utility shall acknowledge receipt of the
19 application or the transfer from simplified, expedited, or intermediate
20 interconnection procedures within three business days;

21 (3) The electric utility will notify the applicant within the ten
22 business days of receipt of the application whether the application is
23 complete or incomplete. If the application is incomplete, the electric
24 utility will at the same time provide the applicant a written list
25 detailing all information that must be provided to complete the
26 application;

27 (4) The applicant will have ten business days to submit the listed
28 information following receipt of notice from the electric utility that
29 the application is incomplete. If the applicant does not submit the
30 listed information to the electric utility within the ten business
31 days, the application shall be deemed withdrawn;

32 (5) Within twenty business days of notifying the customer-generator
33 that the application is complete, the electric utility will conduct an
34 initial review. Initial review shall include:

35 (a) Review using the requirements established by the group under
36 section 6 of this act or by the commission under section 7 of this act;

1 (b) A scoping meeting or discussion with the customer-generator to
2 review the application; and

3 (c) Review of information such as the available fault current at
4 the proposed location, the existing peak loading on the lines in the
5 general vicinity of the proposed generator, and the configuration of
6 the distribution lines at the proposed point of interconnection;

7 (6) At the applicant's request, the electric utility will undertake
8 a feasibility study that includes the following:

9 (a) A preliminary review of the potential impacts on the
10 distribution system that will result from the proposed interconnection;

11 (b) A preliminary review to determine transmission impacts; and

12 (c) A preliminary review of short circuit currents including
13 contribution from the proposed generator as well as coordination of and
14 potential overloading of distribution circuit protection devices;

15 (7) After completing the feasibility study, the electric utility
16 shall provide an impact study agreement, including a cost estimate for
17 an impact study, consistent with the following:

18 (a) Where the proposed interconnection may affect electric
19 transmission or distribution systems other than that of the electric
20 utility where the interconnection is proposed, the electric utility
21 shall coordinate, but not be responsible for the timing of any studies
22 required to determine the impact of the interconnection request on
23 other potentially affected electric systems. The customer will be
24 responsible to any other affected systems for all costs of any
25 additional studies incurred by any other affected system to evaluate
26 the impact of the proposed generator interconnection;

27 (b) For generators greater than two megawatts, the impact study may
28 require analysis of power flows and other impacts on the transmission
29 system if the utility has a reasonable belief that the interconnection
30 of the generator will create power flows that reach the transmission
31 system;

32 (c) Transmission system impact studies will be governed by separate
33 procedures that may include submission of an application into a
34 transmission interconnection queue; and

35 (d) Each electric utility will identify the circumstances under
36 which generators larger than two megawatts must submit their
37 application into a transmission interconnection queue;

38 (8) The elements of an impact study should include:

1 (a) Load flow study;
2 (b) Short-circuit study;
3 (c) Circuit protection and coordination study;
4 (d) Impact on system operation;
5 (e) Stability study and the conditions that would justify including
6 this element in the impact study; and
7 (f) Voltage collapse study and the conditions that would justify
8 including this element in the impact study;
9 (9) Once the applicant executes the impact study agreement, returns
10 it to the electric utility, and pays pursuant to the good faith
11 estimate contained in the agreement, the electric utility will conduct
12 the impact study;
13 (10) An electric utility that charges a fee for an impact study
14 shall provide the applicant with a bill consistent with the following:
15 (a) The bill shall include a clear explanation of all charges; and
16 (b) The electric utility shall provide to the applicant, before the
17 start of the impact study, a good faith estimate of the number of hours
18 that will be needed to complete the interconnection study, and an
19 estimate of the total interconnection study fee;
20 (11) For generators with equipment that is certified pursuant to
21 section 9 of this act, no review of the generator's protection
22 equipment is required and an electric utility may review a certified
23 generator's protection scheme, but it cannot charge for such review;
24 (12) If the electric utility determines, in accordance with good
25 utility practices, that any electric utility electric system
26 modifications required to accommodate the proposed interconnection are
27 not substantial, the impact study will identify the scope and cost of
28 the modifications as defined in the study results;
29 (13) If the electric utility determines, in accordance with good
30 utility practices, that the system modifications to the electric
31 utility's electric system are substantial, the results of the impact
32 study will produce an estimate for the modification costs. The
33 detailed costs of, and the electric power supplier's modifications
34 necessary to interconnect the customer's proposed generator will be
35 identified in a facilities study to be completed by the electric
36 utility;
37 (14) If a facilities study is necessary, the electric utility shall

1 submit a facilities study agreement, with a good faith estimate of the
2 cost of completing the facilities study to be submitted to the
3 customer-generator;

4 (15) Once the applicant executes the facilities study agreement and
5 pays pursuant to the terms thereof, the electric utility will conduct
6 the facilities study;

7 (16) Within three business days of completion of the impact and, if
8 necessary, the facilities study, the electric utility shall send the
9 applicant an executable interconnection agreement including a quote for
10 any required electric utility system modifications;

11 (17) Within three business days of receiving the interconnection
12 agreement, the applicant shall return the signed interconnection
13 agreement to the electric utility;

14 (18) Within one hundred twenty business days, the customer shall
15 complete installation of its generator and send notice of completion to
16 the electric utility and the electric utility shall complete any
17 electric utility system modifications;

18 (19) Within ten business days of receiving notice that installation
19 is complete, the electric utility shall inspect the completed generator
20 installation and attend any required commissioning tests;

21 (20) Provided any required commissioning tests are satisfactory,
22 within five business days of completing the tests, the electric utility
23 shall notify the customer in writing that interconnection is approved;
24 and

25 (21) Fees for application and processing may be charged consistent
26 with the following:

27 (a) Fees for standard interconnection review shall include an
28 application fee not to exceed one hundred dollars plus two dollars per
29 kilowatt capacity, as well as charges for actual time spent on the
30 interconnection study;

31 (b) Costs for the engineering review may not exceed one hundred
32 dollars per hour; and

33 (c) Costs for the electric utility's facilities necessary to
34 accommodate the customer's generator interconnection will be the
35 responsibility of the customer.

36 NEW SECTION. **Sec. 14.** (1) Damages in the amount of ten dollars

1 per kilowatt capacity of the customer-generator's generating facility
2 applies to an electric utility's failure to comply with procedures
3 established under this act.

4 (2) A customer-generator may bring a civil action in the district
5 court to recover damages, except for damages which exceed the amount
6 specified in RCW 3.66.020.

7 NEW SECTION. **Sec. 15.** (1) Once an interconnection has been
8 approved under this chapter, the electric utility shall not require a
9 customer-generator to test its facility except for the following:

10 (a) An annual test in which the customer-generator's facility is
11 disconnected from the electric utility's equipment to ensure that the
12 generator stops delivering power to the grid; and

13 (b) Any manufacturer-recommended testing.

14 (2) An electric utility may inspect a customer-generator's facility
15 both before and after interconnection approval is granted, at
16 reasonable hours and with reasonable advance notice to the customer-
17 generator.

18 (3) If the electric utility discovers the customer-generator's
19 facility is not in compliance with technical requirements established
20 by the group under section 6 of this act or by the commission under
21 section 7 of this act and the noncompliance adversely affects the
22 safety or reliability of the electric system, the electric utility may
23 require disconnection of the customer-generator's facility until it
24 complies with this chapter.

25 NEW SECTION. **Sec. 16.** Each customer-generator approved for
26 interconnection shall affix to their electric revenue meter a warning
27 sign that notifies utility personnel of the existence of customer sited
28 parallel generation.

29 NEW SECTION. **Sec. 17.** A customer-generator approved for
30 interconnection shall, at its own expense, maintain in force general
31 liability insurance without any exclusion for liabilities related to
32 the interconnection. The amount of such insurance shall be sufficient
33 to insure against all reasonably foreseeable direct liabilities given
34 the size and nature of the generating equipment being interconnected,
35 the interconnection itself, and the characteristics of the system to

1 which the interconnection is made. A customer-generator shall obtain
2 additional insurance if necessary as a function of owning and operating
3 a generating facility. An electric utility shall not be liable
4 directly or indirectly for permitting or continuing to allow an
5 attachment of a net metering system, or for the acts or omissions of
6 the customer-generator that cause loss or injury, including death, to
7 any third party.

8 NEW SECTION. **Sec. 18.** (1) The commission or the governing body of
9 a consumer-owned utility may from time to time designate a technical
10 master for the resolution of interconnection disputes. Parties shall
11 use the technical master to resolve disputes related to interconnection
12 and such resolution is binding on the parties.

13 (2) The commission or the governing body of a consumer-owned
14 utility may designate a department of energy national laboratory;
15 college or university; or an approved federal energy regulatory
16 commission regional transmission organization with distribution system
17 engineering expertise as the technical master. Should the federal
18 energy regulatory commission identify a national technical dispute
19 resolution team, the commission may designate the team as its technical
20 master.

21 NEW SECTION. **Sec. 19.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

25 NEW SECTION. **Sec. 20.** Sections 1, 2, and 6 through 19 of this act
26 constitute a new chapter in Title 19 RCW.

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